

Program A: Minimum Foundation Program

Program Authorization: Article VIII, Sec. 13(B), La. Constitution; HCR 104 of 1998

PROGRAM DESCRIPTION

The Minimum Foundation Program provides the major source of state funds flowing to the local school systems.

The mission of the Minimum Foundation Program (MFP) is to maintain a state educational system that is a solid foundation for learning where all students reach challenging academic standards.

The goals of the Minimum Foundation Program are:

1. To attain public school growth targets as defined by Louisiana's Accountability System.
2. To distribute the MFP state aid to districts and provide equity in state and local resources.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To provide funding to local school boards, which provide services to students based on state student standards such that 40% of the students meet or exceed "basic" performance levels on the state-approved criterion-referenced tests and 45% of the students meet or exceed the 50th percentile on the state-approved norm referenced tests.

Strategic Link: Strategy 1.1.1 *Local school boards will provide services to students based on state student academic standards.*

| LEVEL | PERFORMANCE INDICATOR NAME | PERFORMANCE INDICATOR VALUES | | | | | |
|-------|---|--|--|---|---|--|---|
| | | YEAREND PERFORMANCE STANDARD FY 1998-1999 | ACTUAL YEAREND PERFORMANCE FY 1998-1999 | ACT 10 PERFORMANCE STANDARD FY 1999-2000 | EXISTING PERFORMANCE STANDARD FY 1999-2000 | AT CONTINUATION BUDGET LEVEL FY 2000-2001 | AT RECOMMENDED BUDGET LEVEL FY 2000-2001 |
| K | Percentage of students who meet or exceed "basic" performance levels on the criterion-referenced tests in English language arts | Not applicable ¹ | Not available | 40% | 40% | 40% | 40% |
| K | Percentage of students who meet or exceed "basic" performance levels on the criterion-referenced tests in mathematics | Not applicable ¹ | Not available | 40% | 40% | 40% | 40% |
| K | Percentage of students who meet or exceed the 50th percentile on the norm-referenced tests | Not applicable ¹ | Not available | 45% | 45% | 45% | 45% |

¹ This performance indicator did not appear in Act 19 and therefore has no performance standard for 1998-99.

2. (KEY) To provide funding to local school boards, which provide classroom staffing, such that 86% of the teachers and principals will meet state standards.

Strategic Link: Strategy 1.1.2 *Local school boards will provide classroom staffing with teachers and principals who meet state standards.*

| LEVEL | PERFORMANCE INDICATOR NAME | PERFORMANCE INDICATOR VALUES | | | | | |
|-------|--|--|--|---|---|--|---|
| | | YEAREND PERFORMANCE STANDARD FY 1998-1999 | ACTUAL YEAREND PERFORMANCE FY 1998-1999 | ACT 10 PERFORMANCE STANDARD FY 1999-2000 | EXISTING PERFORMANCE STANDARD FY 1999-2000 | AT CONTINUATION BUDGET LEVEL FY 2000-2001 | AT RECOMMENDED BUDGET LEVEL FY 2000-2001 |
| K | Percentage of certified classroom teachers employed, teaching within area of certification | Not applicable ¹ | 87.3% | 87.0% | 87.0% | 86.0% | 86.0% |
| K | Percentage of principals certified in principalship | Not applicable ¹ | Not available | Not applicable ² | 98.0% ³ | 98.0% | 98.0% |

¹ This performance indicator did not appear in Act 19 and therefore has no performance standard for 1998-99.

² This performance indicator did not appear in Act 10 and therefore has no performance standard for 1999-00.

³ Since there is no performance standard for 1999-00, this is an estimate.

3. (KEY) To increase the number of districts collecting local tax revenues sufficient to meet MFP Level 1 requirements.

Strategic Link: Strategy 1.2.1 *To prepare and submit an MFP formula to BESE who will adopt and submit an MFP formula to the legislature who will approve the MFP formula and provide resources in an equitable and adequate manner to meet state standards.*

| LEVEL | PERFORMANCE INDICATOR NAME | PERFORMANCE INDICATOR VALUES | | | | | |
|-------|---|--|--|---|---|--|---|
| | | YEAREND PERFORMANCE STANDARD FY 1998-1999 | ACTUAL YEAREND PERFORMANCE FY 1998-1999 | ACT 10 PERFORMANCE STANDARD FY 1999-2000 | EXISTING PERFORMANCE STANDARD FY 1999-2000 | AT CONTINUATION BUDGET LEVEL FY 2000-2001 | AT RECOMMENDED BUDGET LEVEL FY 2000-2001 |
| K | Number of districts collecting local tax revenues sufficient to meet MFP Level 1 requirements | 56 | 53 | 57 | 57 | 60 | 60 |
| K | Number of districts not meeting the 70% instructional expenditure mandate | 4 | 4 | 4 | 4 | 4 | 4 |
| K | Equitable distribution of MFP dollars ¹ | (0.8800) | (0.8359) | (0.8499) | (0.8499) | (0.8691) | (0.8691) |

¹ A larger negative number indicates a more equitable dollar distribution in relation to relative wealth. Correlation is based on the per pupil MFP state share level 1, 2, and 3 and the local wealth factor.

RESOURCE ALLOCATION FOR THE PROGRAM

| | ACTUAL 1998-1999 | ACT 10 1999- 2000 | EXISTING 1999- 2000 | CONTINUATION 2000 - 2001 | RECOMMENDED 2000 - 2001 | RECOMMENDED OVER/(UNDER) EXISTING |
|---------------------------------------|------------------------|------------------------|------------------------|-----------------------------|----------------------------|---|
| MEANS OF FINANCING: | | | | | | |
| STATE GENERAL FUND (Direct) | \$2,067,596,249 | \$2,161,442,085 | \$2,158,442,085 | \$2,189,443,036 | \$2,147,440,750 | (\$11,001,335) |
| STATE GENERAL FUND BY: | | | | | | |
| Interagency Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees & Self-gen. Revenues | 0 | 0 | 0 | 0 | 0 | 0 |
| Statutory Dedications | 116,205,501 | 99,200,000 | 99,200,000 | 95,500,000 | 95,500,000 | (3,700,000) |
| Interim Emergency Board | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL MEANS OF FINANCING | \$2,183,801,750 | \$2,260,642,085 | \$2,257,642,085 | \$2,284,943,036 | \$2,242,940,750 | (\$14,701,335) |
| EXPENDITURES & REQUEST: | | | | | | |
| Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Compensation | 0 | 0 | 0 | 0 | 0 | 0 |
| Related Benefits | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Charges | 2,183,801,750 | 2,260,642,085 | 2,257,642,085 | 2,284,943,036 | 2,242,940,750 | (14,701,335) |
| Total Acq. & Major Repairs | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES AND REQUEST | \$2,183,801,750 | \$2,260,642,085 | \$2,257,642,085 | \$2,284,943,036 | \$2,242,940,750 | (\$14,701,335) |
| AUTHORIZED FULL-TIME | | | | | | |
| EQUIVALENTS: Classified | 0 | 0 | 0 | 0 | 0 | 0 |
| Unclassified | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

SOURCE OF FUNDING

This program is funded by the General Fund and the Lottery Proceeds Fund (Per R.S.39:32B.(8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.)

| | ACTUAL | ACT 10 | EXISTING | CONTINUATION | RECOMMENDED | RECOMMENDED |
|-----------------------|---------------|--------------|--------------|--------------|--------------|--------------------------|
| | 1998-1999 | 1999- 2000 | 1999- 2000 | 2000 - 2001 | 2000 - 2001 | OVER/(UNDER) EXISTING |
| Lottery Proceeds Fund | \$116,205,501 | \$99,200,000 | \$99,200,000 | \$95,500,000 | \$95,500,000 | (\$3,700,000) |

ANALYSIS OF RECOMMENDATION

| GENERAL FUND | TOTAL | T.O. | DESCRIPTION |
|-----------------|-----------------|------|---|
| \$2,161,442,085 | \$2,260,642,085 | 0 | ACT 10 FISCAL YEAR 1999-2000 |
| | | | BA-7 TRANSACTIONS: |
| (\$3,000,000) | (\$3,000,000) | 0 | Transfer to Subgrantee Assistance for Type 2 Charter Schools |
| \$2,158,442,085 | \$2,257,642,085 | 0 | EXISTING OPERATING BUDGET – December 3, 1999 |
| \$22,980,485 | \$22,980,485 | 0 | Other Adjustments - Increase for Normal Growth |
| \$2,529,890 | \$2,529,890 | 0 | Other Adjustments - Increase for Louisiana State University (LSU) Lab School |
| \$1,790,576 | \$1,790,576 | 0 | Other Adjustments - Increase for Southern University (SU) Lab School |
| (\$15,380,199) | (\$15,380,199) | 0 | Other Adjustments - Drop in Enrollment. Assumes a drop in enrollment of 9,250 or 1.25 percent of the October 1st student count rather than the 3,700 utilized in prior simulations. |
| (\$30,876,213) | (\$30,876,213) | 0 | Other Adjustments - Teacher Retirement Savings. Assumes a decrease in the teacher's retirement rate from 16.5 percent to 14.2 percent. |
| \$8,199,160 | \$8,199,160 | 0 | Other Adjustments - Group Benefits. Assumes an increase in teacher's group benefits of 11 percent. |
| (\$1,347,594) | (\$1,347,594) | 0 | Other Adjustments - Transfer to Subgrantee Assistance for increased enrollment in existing Type 2 Charter Schools. Assumes that the same percentage of students will transfer from public schools to Type 2 Charter Schools as transferred in FY 1999-2000. |
| (\$2,597,440) | (\$2,597,440) | 0 | Other Adjustments - Transfer to Subgrantee Assistance for new Type 2 Charter Schools approved to open in FY 2000-2001. Based on information provided to BESE staff from approved Type 2 Charter Schools. |
| \$3,700,000 | \$0 | 0 | Net Means Of Financing Substitutions - Replace Lottery Proceeds Statutory Dedications with State General Fund |
| \$2,147,440,750 | \$2,242,940,750 | 0 | TOTAL RECOMMENDED |
| \$0 | \$0 | 0 | LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS |
| \$2,147,440,750 | \$2,242,940,750 | 0 | BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001 |
| | | | SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL: |
| \$0 | \$0 | 0 | None |
| \$0 | \$0 | 0 | TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL |

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:

| | | | |
|------------------------|------------------------|----------|--|
| \$0 | \$0 | 0 | Full Implementation of the Alternative Commission Model |
| \$0 | \$0 | 0 | TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE |
| \$2,147,440,750 | \$2,242,940,750 | 0 | GRAND TOTAL RECOMMENDED |

The total means of financing for this program is recommended at 99.3% of the existing operating budget. It represents 87.3% of the total request (\$2,569,168,292) for this program.

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000-2001.

OTHER CHARGES

| | |
|------------------------|----------------------------|
| \$2,242,940,750 | Minimum Foundation Program |
| \$2,242,940,750 | TOTAL OTHER CHARGES |

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000-2001.